

K. STEPHEN HAGGARD

Finance and General Business Department
Missouri State University
901 S. National Ave.
Springfield, MO 65897
(417) 836-5567 Office
E-mail: SHaggard@MissouriState.edu

EDUCATION

- Ph.D. Business Administration – Finance concentration, University of Missouri, 2006.
M.B.A. Business Administration, Kent State University, 2001.
B.S. Mechanical Engineering, University of Arkansas, 1994.

ACADEMIC EMPLOYMENT

- Assistant Professor, 2007 to present, Missouri State University.
Assistant Professor, 2006 to 2007, University of Southern Mississippi.
Graduate Instructor, 2003 to 2006, University of Missouri - Columbia.
Research Assistant, 2002 to 2005, University of Missouri - Columbia.

PUBLISHED PAPERS

“Using Interaction to Teach the Basics of Financial Intermediation.”

This paper presents a game that uses student interaction to breathe life into the “dry” and “boring” definitions of surplus spending units (SSUs) and deficit spending units (DSUs), as well as the basic concepts of financial intermediation including denomination divisibility, maturity flexibility, liquidity, and credit risk diversification. This material is usually presented in a lecture format, which is less than ideal for students with short attention spans. Use of this game increases comprehension and improves retention of these concepts better than a pure lecture presentation. *Journal of Applied Research in Business Instruction*, Vol. 7, No. 3, pp. 1-6, 2009.

“Does Voluntary Disclosure Improve Stock Price Informativeness?” with Xiumin Martin and Raynolde Pereira.

We find that a higher level of disclosure contributes to lower stock price synchronicity, an inverse measure of stock price informativeness. We also show that higher disclosing firms are less prone to experience stock price crashes. Both findings are consistent with disclosure effectively reducing firm opacity. *Financial Management*, Vol. 37, No. 4, pp. 747-768, Winter 2008.

“Executive Compensation: Does Industry Risk Matter?” with Dana L. Haggard.

We use stock return data and executive compensation data to examine the risks and rewards of corporate executives with the goal of understanding which risks are rewarded. We show that CEOs are rewarded differently for bearing industry risk than for bearing market risk, in addition to being compensated for bearing firm-specific risks. Our results are consistent with CEOs being compensated through different means (salaries, bonuses and options) for bearing these different risks. *International Journal of Organizational Theory and Behavior*, Vol. 11, No. 4, pp. 451-470, Winter 2008.

PUBLISHED PAPERS (CONTINUED)

“Bank Dividends: Increasing, Decreasing, and Unresponsive,” with John S. Howe.

We document three recent trends in dividend payments by banks. We find a doubling of bank dividends as a proportion of all dividends paid, a decreasing propensity for banks to pay dividends, and an increase in aggregate bank dividends. We also search for a relation between fluctuations in banks’ propensity to pay dividends and catering incentives provided by the market, but find no such relation. We show that the market provides incentives for banks to pay dividends. *Journal of Applied Financial Research*, Vol. 2, pp. 1-31, Fall 2008.

“Price Momentum and Idiosyncratic Volatility,” with Matteo Arena and Xuemin (Sterling) Yan.

We show that stocks with higher idiosyncratic volatility display greater price momentum. Stocks with higher idiosyncratic volatility also experience quicker and larger reversals. These findings are consistent with the view that momentum profits are attributable to underreaction to firm-specific information. Our findings are also consistent with the hypothesis that idiosyncratic volatility is an important factor in limiting the successful arbitrage of the momentum effect. Further, we find a positive time-series relation between momentum returns and aggregate idiosyncratic volatility. Given the long-term rise in idiosyncratic volatility, this result helps explain why momentum profits not only persist but also increase after the sample period examined by Jegadeesh and Titman (1993). *The Financial Review*, Vol. 43, No. 2, pp. 159-190, May 2008.

“Another Look at the Robustness of Stock Market Calendar and Weather Anomalies to Announcements of Macroeconomic News,” with H. Douglas Witte.

Given the impact of macroeconomic news announcements on daily stock returns, Gerlach (2007) performs a univariate analysis of calendar and weather anomalies on days with no such announcements. He finds little evidence for anomalous returns in this subset of the data. He concludes that calendar and weather anomalies are generated by an ex-post sorting of returns into subsets with disproportionate numbers of extreme announcement day returns. We find little evidence to support this contention. Our multivariate analysis of the full dataset (both announcement and non-announcement days) indicates five of six tested return anomalies remain significant after controlling for macroeconomic announcements. Accepted at the *Review of Business Research*.

“PIPEs Around the World,” with Ying Jenny Zhang and Tao Ma.

Public investment in private equity (PIPE) is a financing form growing in popularity in the U.S., recently surpassing seasoned equity offerings in number and value. Research to date is highly focused on the U.S., with little attention paid to international markets. We use newly available data to examine PIPE deals in Hong Kong, Australia, Canada and the U.K. We document similarities and differences relative to the U.S. market. PIPE firms tend to be small, high-growth firms with poor accounting and stock performance prior to PIPE issuance. However, these stylized facts do not hold uniformly across the exchanges we study. We also document a lack of significant market reaction to the announcement of PIPE deals on these exchanges. Accepted at the *Journal of Private Equity*.

“Governance, Law, Religion and Culture,” with Dana L. Haggard.

We propose a model in which culture plays a dominant role, along with religion and legal origin, in determining the quality of governance in a country. We examine four dimensions of culture and four measurements of governance quality across 71 countries. Our empirical results demonstrate the dominant role played by culture, over and above religion and legal origin, in explaining governance quality. As culture is persistent and unlikely to be easily changed, efforts to improve governance quality might be doomed to failure in nations with cultural values that are hostile to good governance. Accepted at the *International Journal of Organizational Theory and Behavior*.

PAPERS UNDER REVIEW

“When Should Firms Go International? An Empirical Examination of Process Theory versus Early Internationalization Perspectives,” with Jon C. Carr, Shaker A. Zahra, and Keith M. Hmieleski.

Using a longitudinal sample, we test firms’ survival and growth outcomes associated with the decision to internationalize. We find that young firms experience lower survival rates subsequent to foreign market entry, but enjoy significantly higher short-term growth conditional upon survival. Overall, the findings suggest that the timing of internationalization should be based on firms’ strategic orientation toward maintaining survival versus achieving growth. Revise and resubmit at the *Strategic Entrepreneurship Journal*.

“Are Banks Opaque?” with John S. Howe.

We propose the synchronicity of stock returns as a measure of bank opacity, and use this measure to show that bank assets are more opaque (more difficult for investors to value due to information asymmetry) than the assets of matching industrial firms. We also provide evidence consistent with the theoretical supposition that more opaque banks are more likely to fail. Under review at the *Journal of Money, Credit and Banking*.

“The Halloween Effect: Trick or Treat?” with H. Douglas Witte.

Research documents higher stock returns in November through April than for the rest of the year. This anomaly is known as the “Halloween effect” and results in the following trading rule: Sell stocks in early May, invest in T-bills, and re-invest in stocks on Halloween. In contrast to recent studies, we show that the Halloween effect is robust to consideration of outliers and the “January effect.” Additionally, we show that investing in a “Halloween portfolio” provides risk-adjusted returns in excess of buy and hold equity returns even after consideration of transaction costs. Under review at the *Financial Analysts Journal*.

PRESENTED PAPERS

“Do Fragile Liabilities Matter?”

- Accepted for presentation at the Financial Management Association Annual Meeting, October 2009.

“Value Creation through Executive Diversity,” with Dana L. Haggard.

- Academy of Management Annual Meeting, August 2009.

“Another Look at the Robustness of Stock Market Calendar and Weather Anomalies to Announcements of Macroeconomic News,” with H. Douglas Witte.

- Financial Management Association Annual Meeting, October 2008.

“Young Firm Survival and Growth after Early Internationalization,” with Jon Carr.

- Babson College Entrepreneurship Research Conference, June 2008.

“Are Banks Opaque?” with John S. Howe.

- Financial Management Association Annual Meeting, October 2007.

“The Impact of Voluntary Disclosure on Stock Price Informativeness,” with Xiumin Martin and Raynolde Pereira.

- University of Southern Mississippi, September 2006.
- Financial Management Association Annual Meeting, October 2006.

“Information Quality and Split Bond Ratings,” with Ravi Jain, Xiumin Martin, and Raynolde Pereira.

- American Accounting Association Annual Meeting, August 2006.
- Financial Management Association Annual Meeting, October 2006.

“Bank Dividends: Increasing, Decreasing, and Unresponsive,” with John S. Howe.

- University of Missouri – Columbia, August 2004.
- Financial Management Association Annual Meeting, October 2005.

PRESENTED PAPERS (CONTINUED)

“Price Momentum and Idiosyncratic Volatility,” with Matteo Arena and Sterling Yan.

- University of Missouri – Columbia, September 2004.
- Financial Management Association European Meeting, June 2005.
- Financial Management Association Annual Meeting, October 2005.

“Price Pressure and the Response to Share Repurchase Announcements,” with Raynolde Pereira.

- University of Missouri – Columbia, February 2005.
- Financial Management Association Annual Meeting, October 2005.

TEACHING EXPERIENCE

Introduction to Financial Institutions and Markets (undergraduate, two sections), Spring 2009.
Teaching Evaluation: 4.4/5.0

Financial Management (undergraduate, one section), Spring 2009.
Teaching Evaluation: 4.4/5.0

Introduction to Financial Institutions and Markets (undergraduate, two sections), Fall 2008.
Teaching Evaluation: 4.7/5.0

Financial Management (undergraduate, one section), Spring 2008.
Teaching Evaluation: 4.4/5.0

Introduction to Financial Institutions and Markets (undergraduate, two sections), Spring 2008.
Teaching Evaluation: 4.5/5.0

Introduction to Financial Institutions and Markets (undergraduate, two sections), Fall 2007.
Teaching Evaluation: 4.2/5.0

Principles of Finance (undergraduate, two sections), Spring 2007.
Teaching Evaluation: 4.6/5.0

Principles of Finance (undergraduate, two sections), Fall 2006.
Teaching Evaluation: 4.5/5.0

Financial Management (undergraduate), Summer 2006.
Teaching Evaluation: 4.7/5.0

Financial Management (undergraduate), Spring 2006.
Teaching Evaluation: 4.1/5.0

Management of Financial Institutions (M.B.A.), Fall 2005.
Teaching Evaluation: 4.8/5.0

Management of Financial Institutions (undergraduate), Spring 2004.
Teaching Evaluation: 4.5/5.0

Management of Financial Institutions (undergraduate), Fall 2003.
Teaching Evaluation: 4.6/5.0

PROFESSIONAL SERVICE

Ad Hoc Reviewer, Financial Management, 2009.

Ad Hoc Reviewer, Journal of Economics and Finance, 2009.

Ad Hoc Reviewer, Journal of Multinational Financial Management, 2008.

Ad Hoc Reviewer, Journal of Economics and Finance, 2007.

Referee, Southern Finance Association Annual Meeting, 2007.

Referee, International Finance, Midwest Finance Association Annual Meeting, 2005.

Discussant, "Credit, Cronyism, and Control: Evidence from the Americas," by Michael Pagano, Financial Management Association Annual Meeting, 2004.

COLLEGE SERVICE

Faculty Co-Advisor, Financial Management Association student chapter, Missouri State University, 2008-present.

Vice President, Beta Gamma Sigma, Missouri State University, 2008-present.

Associate Editor, Finance and General Business Publications Committee, Missouri State University, 2007-present.

Member, Teaching and Assessment Committee, University of Southern Mississippi, 2006-2007.

RESEARCH GRANTS

Summer Research Grant, Missouri State University, 2009.

Summer Research Grant, Missouri State University, 2008.

Summer Research Grant, University of Southern Mississippi, 2007.

College of Business Summer Research Fellowship, "Have Bank Loans Lost Their Uniqueness?" Summer 2004.

RESEARCH AWARDS

Outstanding Paper Award, Empirical Category, College of Business Administration, Missouri State University, 2007-2008.

Outstanding Research Assistant, Department of Finance, College of Business, University of Missouri – Columbia, 2005.

OTHER RECOGNITION

Chosen as Undergraduate Honors Mentor, 2004.

HONOR SOCIETIES

Beta Gamma Sigma

Tau Beta Pi (Engineering)

AFFILIATIONS

Financial Management Association

OTHER PROFESSIONAL EXPERIENCE

Ten years in various engineering, management and sales roles in nuclear power, oilfield manufacturing, heavy transportation manufacturing and plastics.

REFERENCES

John S. Howe

*Professor and Missouri Bankers
Chair*
447 Cornell Hall
University of Missouri
Columbia, MO 65211
(573) 882-5357
howej@missouri.edu

Stephen P. Ferris

*Professor and Director,
Financial Research Institute and
J.H. Rogers Chair of Money,
Credit and Banking*
404F Cornell Hall
University of Missouri
Columbia, MO 65211
(573) 882-9905
ferriss@missouri.edu

Paul Brockman

*Associate Professor and State
Farm Risk Management Fellow*
513 Cornell Hall
University of Missouri
Columbia, MO 65211
(573) 884-1562
brockmanp@missouri.edu

Raynolde Pereira

Associate Professor
337 Cornell Hall
University of Missouri
Columbia, MO 65211
(573) 882-6253
pereirar@missouri.edu

Dan French

Professor and Department Chair
403B Cornell Hall
University of Missouri
Columbia, MO 65211
(573) 882-4300
frenchdan@missouri.edu